

## **An open door for exports**

**by James Costos, US Ambassador to Spain and Andorra**

On Monday, representatives from the EU and the U.S. will meet in Brussels for the twelfth round of talks that will pave the way for the completion of the Transatlantic Trade and Investment Partnership (T-TIP).

Why is this important to Spain? The simplest answer is this: the U.S. today is the largest consumer of Spanish exports of any country outside the EU.

T-TIP will increase the ability of Spanish businesses, especially the smallest businesses, to export their goods to a dedicated consumer- the United States. This ability to compete not just freely, but fairly, without the burden of high tariffs and redundant regulations, will allow Spanish businesses to expand into new markets. As U.S. Trade Representative Ambassador Michael Froman said, the agreement is about making “common sense” upgrades to what has long been a productive partnership: “eliminating tariffs, reducing non-tariff barriers, simplifying customs procedures, cutting red tape.” Put simply, T-TIP means increasing Spanish exports, which in turn means more jobs for Spain and higher salaries.

Independent reports show that within the first five years after T-TIP enters into force, Spain will see significant economic benefits. Spain’s GDP is expected to increase by 0.74% per year. More than 334,000 jobs are projected to be added to the Spanish economy, and the average salary of the Spanish worker will increase by 0.72% per year. Most importantly, small businesses, which account for 95% of all businesses in Spain, will see a positive difference in their ability to export to the United States.

Kanna Shoes, to give one example, is a small business in Murcia that produces footwear made from natural materials, manufactured completely in Spain. This company has begun to sell in the United States, and has had some success, but it is limited in its ability to expand its exports due to current tariffs and regulations. With T-TIP, this will change, as the trade agreement will reduce or eliminate tariffs currently applied. Kanna Shoes, along with many other Spanish businesses, will be able to sell its products competitively in the American market. This new ability to be competitive in the U.S. will expand Spanish businesses and create more Spanish job opportunities.

The nations of Europe have a history of being among the United States’ first trading partners, and today they remain among our strongest trading partners. T-TIP is the next step in strengthening this strong economic relationship. I know that there is much misinformation being spread about T-TIP, and to address that I would like to quote a speech U.S. Secretary of State John Kerry made last week in Munich: “Nothing in TTIP – nothing – requires Europe to reduce or undo important regulations or weaken existing standards. That is false. On the contrary, the

agreement will underscore our support for the inclusion of high environmental and labor standards in trade agreements, just as we have done in the Trans-Pacific Partnership. We have encompassed in that agreement, in the four corners of the agreement, the highest labor standards and the highest environment standards enforceable by law.”

Globalization is an unstoppable force; it is time for all of us to do our part to help people compete in this new global marketplace. The United States is prepared to complete T-TIP negotiations in 2016, but in order to make that happen, we all need to work collaboratively and creatively, bringing a problem-solving approach to this week’s and future negotiations. Together, we can pave the way for a stronger economic partnership.